



**U.S. Department of Transportation
Maritime Administration**



North American Cruise Statistical Snapshot, 3rd Quarter 2008



Office of Policy and Plans

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**North American Cruise
Statistical Snapshot,
3rd Quarter 2008**

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Preface

This report contains cruise statistics for seventeen major cruise lines that offer North American cruises with a U.S. port of call. The statistics include passengers booked and capacities offered by the cruise lines. Capacities are based on two passengers per stateroom. The statistics are presented in terms of passengers and passenger nights.

Notes and Sources

Destinations:

Alaska
Atlantic Coast
Bahamas
Bermuda
Canada (CA)/New England
Eastern Caribbean
Hawaii
Mexico
Nowhere
Pacific Coast
South America
South Pacific/Far East
Southern Caribbean
Trans-Panama Canal
Transatlantic
Western Caribbean

Cruise Lines:

Carnival
Celebrity
Costa
Crystal
Cunard
Disney
Holland America
MSC
Norwegian (NCL)
Oceania
Princess
Regent
Royal Caribbean
Seabourn
Seadream
Silversea
Windstar

Destination Notes:

Eastern Caribbean – South of the Bahamas to St. Martin, as far west as Haiti.

Southern Caribbean - South of St. Martin to northern coast of South America as far as Aruba.

Western Caribbean - West of Haiti, includes ports in Mexico, Central America and Columbia.

Nowhere - Cruises that begin and end at the same port with no intervening calls.

Sources:

Cruises, cruise passengers and departure ports are derived from the U.S. Customs and Border Patrol Vessel Entrance and Clearance documents. Destinations are derived from the Official Steamship Guide International and cruise line brochures.

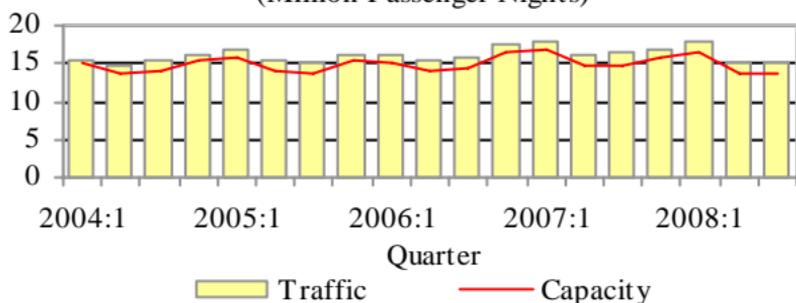
Yields are from SEC 10-Q filings.

North American Cruise Statistics

Highlights

During the third quarter of 2008, 15.1 million passenger nights were booked on North American cruises, down 7.6 percent from a year earlier (Figure 1 and Table 1). About 2.2 million passengers were carried on 1,012 cruises by the seventeen largest cruise lines. The decline can be attributed largely to the movement of cruise ships from North America to Europe.

Figure 1. North American Cruises, Traffic and Capacity, 2004-2008 (YTD)
(Million Passenger Nights)



The occupancy rate (based on passenger nights) for North American cruises was 112 percent for the third quarter, the highest third quarter occupancy in the last 4 years. (Note: A double stateroom with two passengers is considered 100 percent occupied). Since many double staterooms can accommodate three or four people, occupancy can be more than 100 percent.).

The North America cruise market has been capacity driven, that is, cruise lines have reduced prices (yields) to insure that the cruises are fully booked. Thus, the growth of passenger nights has followed the increase in cruise capacity. But unlike land based resorts, cruise ships can be moved to markets that have the highest yields (revenue per available passenger night).

Measured over the last 5 years, passenger nights booked during the third quarter were about 8 percent lower than during the first quarter as cruise ships moved to Europe for the Summer (Table 1). The 2008 decline was nearly twice the 5-year average.

North American Cruise Statistics

Table 1. North American Cruises, Key Statistics, 2004-2008*

(Capacity and Traffic in Millions)

Year/Qtr.	Vessels		Capacity [^]		Traffic		Occupancy (%)	
	No.	Cruises	Pass.	Pass. Nights	Pass.	Pass. Nights	Pass.	Pass. Nights
2004	112	4,465	8.66	57.61	9.42	61.63	109	107
1	99	1,173	2.17	14.80	2.31	15.41	106	104
2	95	1,068	2.11	13.72	2.32	14.83	110	108
3	87	1,097	2.17	13.83	2.44	15.31	112	111
4	107	1,127	2.20	15.27	2.36	16.07	107	105
2005	114	4,463	8.88	59.03	9.75	63.73	110	108
1	102	1,209	2.35	15.84	2.54	16.92	108	107
2	101	1,096	2.18	14.19	2.41	15.41	110	109
3	84	1,063	2.16	13.71	2.42	15.22	112	111
4	100	1,095	2.20	15.28	2.37	16.18	108	106
2006	111	4,435	9.09	60.21	9.97	65.03	110	108
1	99	1,118	2.25	15.10	2.42	16.01	108	106
2	99	1,065	2.18	14.32	2.44	15.70	112	110
3	82	1,091	2.26	14.39	2.53	15.94	112	111
4	103	1,161	2.40	16.40	2.59	17.38	108	106
2007	117	4,464	9.35	62.15	10.29	67.20	110	108
1	104	1,205	2.46	16.87	2.65	17.84	108	106
2	104	1,063	2.25	14.81	2.50	16.12	111	109
3	79	1,098	2.33	14.71	2.63	16.39	113	111
4	100	1,098	2.31	15.75	2.51	16.85	109	107
2008 (YTD)	112	3,188	6.76	43.69	7.52	47.87	111	110
1	98	1,180	2.48	16.49	2.70	17.73	109	108
2	90	993	2.11	13.63	2.38	14.99	112	110
3	76	1015	2.16	13.57	2.45	15.15	113	112

Source: Maritime Administration.

* The Cruise statistics cover seventeen major cruise lines that offer North American cruises with a U.S. Port of call.

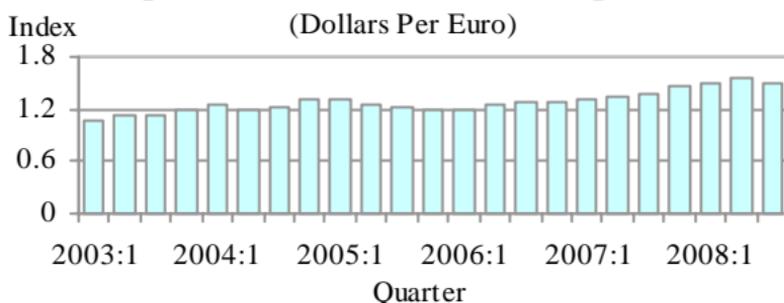
[^] Capacity is based on 2 passengers per stateroom.

North American Cruise Statistics

Exchange Rates, Yields and North American Cruises

The 2007-2008 increase in the value of the euro increased yields (dollar) for European cruises, and contributed to an increase in migration of cruise ships from North America to Europe (Figure 2). The cruise lines generally set schedules 4-6 quarters in advance. Thus, 2008 offerings were influenced by 2007 rates. If the exchange rate had remained at its fourth quarter 2006 value, North American cruise passenger nights for 2008 (YTD) would have been about 8 percent higher (Table 2).¹

Figure 2. U.S. Dollar/Euro Exchange Rate



Source: St. Louis Federal Reserve Bank.

Table 2. Impact of U.S. Dollar/Euro Exchange Rate on North American Passenger Nights, 2007 and 2008 (YTD)

(Passenger Nights in Millions)

Exchange Rates	Year	2008			2008 (YTD)
		1	2	3	
2006:4 Rate	67.70	18.32	16.47	17.13	51.92
Actual Rates	67.20	17.73	15.00	15.15	47.87
Difference	0.50	0.59	1.47	1.98	4.05
% Difference	0.7	3.3	9.8	13.1	8.5

Source: Maritime Administration.

¹ The estimates are based on a regression of passenger nights on U.S. disposable income lagged 0-4 quarters (bookings are generally made up to 4 quarters in advance), U.S. dollar/euro exchange rates lagged 0-6 quarters (schedules and destinations are generally set up to 6 quarters in advance), and seasonal (binary) variables. All coefficients were significant at the 95 percent level, and the equation explained about 96 percent of the 2005-2008 variation in passenger nights.

North American Cruise Statistics

The impact of exchange rates on the movement of vessels to Europe has been primarily during the second and third quarters. As more ships were moved to European destinations, there were significant increases in second and third quarter yields for the major cruise lines. For example, Royal Caribbean's yield was 297 dollars for the third quarter of 2008, up from 269 dollars three years earlier. The first quarter/third quarter difference was 71 dollars in 2008, up from 55 dollars two years before. Royal's advertised price for an outside cabin on a 7-day Mediterranean cruise was more than double the price of a similar cabin on a Caribbean cruise. Table 3 shows the relation between Royal Caribbean's North American cruise ship deployments and its yields (worldwide).

	2005				2006				2007				2008		
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3
Yield, \$	214	227	269	191	216	241	279	197	210	245	293	225	226	249	297
N.A. Pax Nights	5.6	4.8	4.7	5.5	5.3	4.9	4.7	5.5	5.7	4.6	4.6	4.8	5.5	4.4	4.4

Sources: Vessels and Capacity - Maritime Administration; Yields - Royal Caribbean's 10-Q SEC filings.

North American Cruise Statistics

Destinations

Cruise passenger departures for Hawaii declined by 57 percent from the first to third quarter of 2008 as NCL removed the PRIDE OF HAWAII and PRIDE OF ALOHA from the trade. In addition to Hawaii, there were significant declines in departures for the Caribbean as cruise lines moved vessels from the Caribbean to Bermuda, Alaska, New England and Europe.

Table 3. North American Cruise Passengers by Destination, 2005–2008 (YTD)*

(Passengers in Thousands)

Destination [^]	2007				2008			Year	
	1	2	3	4	1	2	3	2006	2007
Alaska	0	403	611	0	0	413	610	939	1,014
Atlantic Coast	0	0	0	0	0	0	0	0	0
Bahamas	344	392	372	334	327	335	366	1,541	1,442
Bermuda	0	67	111	32	0	97	98	234	211
CA/New Eng.	0	30	123	36	0	31	146	165	189
Eastern Carib.	435	289	281	404	476	296	251	1,386	1,409
Far East	5	2	4	1	5	5	5	1	12
Hawaii	124	121	120	129	89	55	38	402	495
Mexico (Pac.)	330	237	260	388	382	296	272	1,075	1,215
Nowhere	0	10	9	12	0	9	9	9	31
Pacific Coast	0	30	7	22	3	25	16	60	59
S. America	9	3	0	3	2	2	0	18	14
S. Pacific/FE	0	0	5	1	0	1	5	12	7
Southern Carib.	310	119	93	283	396	135	72	749	805
Transatlantic	8	68	35	50	14	61	42	138	162
Trans-Canal	42	24	9	42	24	27	7	91	117
Western Carib.	1,041	700	593	773	980	593	509	3,151	3,107
Total	2,648	2,496	2,634	2,510	2,699	2,380	2,446	9,971	10,289

Source: Maritime Administration.

* The Cruise statistics cover seventeen major cruise lines that offer North American cruises with a U.S. Port of call.

[^] See Destination Notes.

North American Cruise Statistics

Concentration

The North American cruise market is highly concentrated with the top four firms (Carnival, Royal Caribbean, Norwegian and Disney) accounting for 99 percent of the third quarter 2008 passenger nights. By itself, Carnival accounted for 6 brands and 55 percent of the passenger nights.

Table 3. North American Cruise Passenger Nights by Cruise Line, 2005-2008 (YTD)*

(Passenger Nights in Millions)

Corp./Cruise Line	2007				2008			Year	
	1	2	3	4	1	2	3	2006	2007
Carnival Corp.	8.94	8.89	9.27	9.22	9.35	8.38	8.40	34.04	36.32
Carnival	4.66	4.82	5.11	4.93	5.08	4.89	4.72	18.36	19.51
Costa	0.40	0.20	0.00	0.28	0.44	0.10	0.00	0.96	0.87
Cunard	0.21	0.21	0.23	0.23	0.43	0.20	0.21	0.75	0.88
Holland America	1.33	1.23	1.41	1.38	1.28	1.16	1.28	5.43	5.36
Princess	2.32	2.43	2.52	2.39	2.10	2.03	2.19	8.49	9.65
Seabourn	0.02	0.00	0.00	0.02	0.02	0.00	0.00	0.05	0.04
Royal Caribbean	5.65	4.63	4.58	4.80	5.48	4.35	4.39	20.37	19.67
Celebrity	1.21	0.71	0.65	0.74	0.97	0.67	0.63	3.94	3.32
Royal Caribbean	4.44	3.92	3.93	4.06	4.51	3.73	3.76	16.42	16.35
NCL	2.25	2.05	2.09	2.05	2.00	1.63	1.82	7.68	8.44
Disney Cruise	0.46	0.36	0.37	0.47	0.48	0.48	0.43	1.84	1.66
Other	0.54	0.20	0.08	0.31	0.42	0.11	0.12	1.11	1.13
Crystal	0.09	0.00	0.03	0.11	0.08	0.00	0.03	0.21	0.22
MSC	0.28	0.11	0.00	0.08	0.16	0.00	0.00	0.41	0.47
Oceania	0.06	0.00	0.00	0.00	0.05	0.00	0.00	0.09	0.06
Regent	0.07	0.07	0.05	0.07	0.07	0.08	0.06	0.25	0.27
Seadream	0.01	0.00	0.00	0.01	0.02	0.00	0.00	0.02	0.02
Silversea	0.02	0.01	0.00	0.03	0.02	0.03	0.03	0.11	0.06
Windstar	0.01	0.00	0.00	0.01	0.01	0.00	0.00	0.02	0.02
All Cruise Lines	17.84	16.12	16.39	16.85	17.73	14.99	15.15	65.03	67.20

Source: Maritime Administration.

* The Cruise statistics cover seventeen major cruise lines that offer North American cruises with a U.S. Port of call.

North American Cruise Statistics

Departure Ports

For the third quarter of 2008, 254 thousand cruise passengers departed from Seattle, up 13 percent from the same period a year earlier. For 2008, passenger departures from Seattle to Alaska surpassed those from Vancouver.

Table 5. North American Cruise Passengers by Departure Port, 2005-2008 (YTD)*

(Passengers in Thousands)

Departure Port	2007				2008			Year	
	1	2	3	4	1	2	3	2006	2007
Miami	564	437	383	506	632	459	456	1,890	1,890
Port Canaveral	349	323	311	316	311	307	300	1,396	1,298
Seattle	0	142	224	20	0	174	254	382	386
Vancouver, CA	0	181	279	3	0	154	252	402	462
New York	63	143	234	85	48	135	219	536	525
Los Angeles	184	126	125	191	188	150	124	583	626
Long Beach	86	94	99	88	92	92	98	380	367
Tampa	120	83	67	97	124	85	79	461	368
Galveston	179	140	115	96	132	102	73	616	529
San Juan	185	99	93	156	209	108	72	555	534
Whittier	0	40	73	0	0	39	66	109	113
San Diego	81	43	53	164	141	86	53	180	341
Seward	0	28	48	0	0	28	52	69	76
Mobile	33	32	34	32	29	32	52	99	130
Fort Lauderdale	500	230	142	417	557	167	50	1,145	1,289
Cape Liberty	0	24	51	39	31	46	45	123	115
Boston	0	21	30	2	0	18	36	62	52
Honolulu	99	98	97	88	61	43	30	316	382
Norfolk	0	22	5	3	0	13	22	25	31
San Francisco	21	35	19	0	3	27	22	91	74
Baltimore	0	17	28	16	0	16	19	60	62
New Orleans	92	58	46	61	73	46	13	75	258
Houston	24	3	0	0	0	0	10	60	27
Philadelphia	0	7	17	6	0	0	7	52	30
Jacksonville	31	34	33	33	32	5	6	128	130
Charleston	20	5	0	20	21	19	0	47	44
Other Ports	17	31	28	72	18	29	37	129	149
All Ports	2,648	2,496	2,634	2,510	2,699	2,380	2,447	9,971	10,289

Source: Maritime Administration.

* The Cruise statistics cover seventeen major cruise lines that offer North American cruises with a U.S. Port of call.